10 TWO SIDED COPIES TO EVERY SR+RR WORKING IN NJ. ALSO
LARRY
AUDREY
NICK.

51847 3879

Source: https://www.industrydocuments.ucsf.edu/docs/gfxy0000

GOVERNOR'S OFFICE CONSIDERS TAX INCREASE ON CIGARETTES

Adding up the Effects . . .

If cigarette taxes go up 15¢ per pack in New Jersey, it may set off a chain of events that could really damage local businesses. You could lose customers to stores in nearby states like Pennsylvania or Delaware where taxes would be much lower. And cigarette smuggling would increase while retail tobacco sales in New Jersey plummet. Just look at these facts:

- It is estimated that cigarette sales in New Jersey could fall by about 11% if the tax is increased 15¢ per pack. $144 million would be lost in retail cigarette sales. $129 million would be lost in sundry or tie-in sales. That's a total of $273 million in commercial losses. Retailers and wholesalers could lose about $50 million in gross profits.

- The average sales loss per convenience store would be about $22,000. The cigarette and sundry products losses would be about $40,000 per store. Gross profit loss (cigarette and sundry sales) would be around $10,000 per store.

- Cigarette volume would decrease by about 70 million packs, most of which would be lost to border states who can offer a lower price. Sales and excise tax savings in Delaware, which has no sales tax and a 24¢ per pack cigarette tax, would be $4.50 per carton. Savings in Pennsylvania, which has a 31¢ per pack cigarette tax, would be $2.40 per carton.

- History shows that in New Jersey, cigarette sales dropped 12% in fiscal year 1991 immediately after the tax was increased by 13¢ per pack. Meanwhile, Delaware cigarette sales have increased 12% from '91 to '95.

- Cigarette smuggling would most certainly increase. The Advisory Council on Intergovernmental Relations published a report on smuggling. They estimated that if a tax difference of $2.30 per carton existed between high and low tax states, within a geographic region, it would be profitable for smugglers to invest large resources in such activities.

- Adjusting for inflation, this ACIR bootleg "flashpoint" would be about $3.60 per carton in 1995. After a 15¢ per pack tax increase, New Jersey would exceed or be near the flashpoint with many states including Pennsylvania, Delaware, North Carolina, Virginia and Indian Reservations in New York.

This information cannot be ignored. A tax increase on cigarettes could be devastating to any and all retailers in New Jersey, including you. Call your state legislators and the Governor today and protect your business.

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Governor Christine Whitman
609-292-6000

Assembly Members
609-292-5339

John Gibson-Seaville
Jack R. Collins-Woodstown
Steve Corodemus-West Long Branch
Joann Smith-Matawan
Barbara Wright-Hamilton Township
Walter Kavanaugh-Somerville
Stephen Mikulak-Woodbridge
Alan Augustine-New Providence

Garabed Haytaian-Hackettstown
Nicholas Felice-Fair Lawn
Leonard Lance-Flemington
Guy Gregg-Flanders
Carol Murphy-Morris Plaines
Joseph Malone III-Jackson
Rose Marie Heck-Lodi
Charlotte Vandervalk-Westwood

Assembly Members
609-292-7065

Joseph Roberts, Jr.-Bellmawr
Jerry Green-Plainfield
Joseph Suliga-Elizabeth
Jackie Mattison-Newark

Joseph Doria, Jr.-Bayonne
Raul Garcia-Union City
Louis Romano-West New York
Loretta Weinberg-Teaneck

Senate Members
609-292-5199

John Matheussen-Turnersville
John Bennett-Eatontown
Joseph Kyrillos, Jr.-Middletown
Peter Inverso-Hamilton Township
Dick LaRossa-Trenton

John Ewing-Bernardsville
Donald DiFrancesco-Scotch Plains
Robert Littell-Franklin
Robert Singer-Jackson

Senate Members
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John Lynch-New Brunswick
Richard Codey-West Orange
Ronald Rice-Newark

Wynona Lipman-Newark
Bernard Kenny, Jr.-Hoboken

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Business Alert!

NEW JERSEY

CALL YOUR STATE LEGISLATORS, GOVERNOR TODAY TO PREVENT UNFAIR CIGARETTE TAX INCREASES!

A very important part of your business — your cigarette sales — is under attack.

According to newspaper stories, Governor Christine Whitman's office is thinking about raising the state tax on cigarettes by one dollar and fifty cents per carton.

This would be a dramatic reversal of her campaign promise of no new taxes. So far, the Whitman Administration has not raised a single tax. But if cigarette taxes go up that much in New Jersey, it would put local businesses at an extreme disadvantage with retailers from bordering states. Some of your customers will have no reason to buy tobacco products in your store anymore. They will simply drive to Pennsylvania or Delaware to buy their cigarettes, since the tax would be considerably less than that in New Jersey. Plus, when customers go to other stores for cigarettes, they will buy beverages, gas and food while they're there. That's when New Jersey businesses really begin to suffer.

WE NEED YOUR HELP!

That's why it's absolutely crucial for you to call your state legislators and the Governor and remind them that you oppose new taxes. When you call, leave your name, hometown and the name of your business and ask to leave a message for the appropriate legislator. Then in your own words urge them to vote against any increase in the cigarette tax. Let them know that smokers are already overburdened with taxes, and tell them that any increase in cigarette taxes could cause you to lose business and revenue.

Call the Governor and your state legislators today and prevent a tobacco tax increase from damaging your business!

For a list of State Legislators, the Governor and their phone numbers refer to the back of this flyer.

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FAX

DATE: Tuesday, November 14, 1995

TO: Mark Young, R.J. Reynolds Sales - New York Metro Reg.

FAX: 908 417-9076,,2110

FROM: Walt Klein & Associates, Inc.

PAGES: 3

MEMO

This is the Business Alert.

Thanks Mark.

51847 3883

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FAX

DATE: Tuesday, November 14, 1995

TO: Mark Young, R.J. Reynolds Sales - New York Metro Reg.

FAX: 908 417-9076,,2110

FROM: Walt Klein & Associates, Inc.

PAGES: 2

MEMO

Gary Loser requested that I send this document to you for distribution to area reps. A Business Alert copy will follow after this fax.

Thank you Mark.

51847 3884

Source: https://www.industrydocuments.ucsf.edu/docs/gfxy0000